

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7562

BILL NUMBER: SB 497

NOTE PREPARED: Jan 12, 2005

BILL AMENDED:

SUBJECT: Long-Term Care Funding.

FIRST AUTHOR: Sen. Server

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State

STATE IMPACT	FY 2005	FY 2006	FY 2007
State Revenues			
State Expenditures		5,000,000	
Net Increase (Decrease)		(5,000,000)	

Summary of Legislation: This bill specifies circumstances under which money appropriated to the Community and Home Options to Institutional Care for the Elderly and Disabled Program (CHOICE) will not revert to the state General Fund. The bill establishes the Long-Term Care Transition Fund to provide long-term care services. It also establishes the Home- and Community-Based Services Trust Board. The bill makes a biennial appropriation to the Long-Term Care Transition Fund.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill creates the nonreverting Long-Term Care Transition Fund. The Fund is to be administered by the Bureau of Aging and In-Home Services. Funds are prohibited from being used for the CHOICE Program or for Medicaid waiver services. The biennial appropriation is to be used for specified expenditures associated with startup costs for implementing long-term care services. At the end of FY 2007, any unused funds may revert to the state General Fund. The bill appropriates \$5.0 M to the Long-Term Care Transition Fund for 2 years (FY 2006 and FY 2007).

The bill also establishes the CHOICE account as a nonreverting account within the General Fund. Money remaining in the account at the end of each state fiscal year is to be annually appropriated for CHOICE administration and services or for home- and community-based long-term care services, depending upon the number of persons on the CHOICE waiting list.

Appropriation and reversion experience within the existing CHOICE account is presented below.

Fiscal Year	CHOICE Appropriation	Medicaid Waiver Transfer from CHOICE	Reversion to the General Fund
FY 1999	\$ 37,482,455	\$ 4.9 M	0
FY 2000	\$ 42,623,785	\$ 4.9 M	0
FY 2001	\$ 42,623,785	\$ 4.9 M	0
FY 2002	\$ 48,683,904	\$ 5.6 M	\$ 2,700,000
FY 2003	\$ 48,683,904	\$ 5.6 M	\$ 5,456,852
FY 2004	\$ 48,673,544	\$ 5.6 M	0
FY 2005	\$ 48,673,544	\$ 6.5 M	NA

The fiscal impact of this bill would be dependent upon administrative decisions made by the State Budget Agency, the Family and Social Services Administration, or the State Board of Finance.

Background: All appropriations must be allotted by the State Budget Agency. The Family and Social Services Administration also may request the State Budget Agency to transfer funds within the Agency, and the State Board of Finance may transfer unused funds to the General Fund or to other agencies.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: The Office of Medicaid Policy and Planning and the Division of Disability, Aging, and Rehabilitative Services of the Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Reversion Reports from the State Budget Agency for FY 1999 to FY 2004.

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